

OLL 83-1979/2  
7 November 1983

MEMORANDUM FOR: Deputy Director of Personnel

STAT FROM:

Liaison Division  
Legislative Liaison

SUBJECT: Congressional Hearing on the  
Senior Executive Service

REFERENCE: Memorandum for DDA from Clair E. George,  
OLL 83-1979/1 dated 26 August 1983,  
Subject: Civil Service Reform Act of 1978

SUMMARY: The House Committee on Post Office and Civil Service, Subcommittee on Civil Service, conducted a hearing on the Senior Executive Service (SES) on 7 November 1983. Attached for your information are the Witness List, opening statement of the Subcommittee Chairwoman--Ms. Patricia Schroeder (D., CO)--and the statement of the Comptroller General of the United States, Mr. Charles A. Bowsher. Also attached for your information is the gist of a fifteen-minute question-and-answer period between the Chairwoman and Mr. Bowsher. Actual testimony did not differ from the attached statements. Ms. Schroeder was the only Subcommittee Member present.

2. As indicated in the Chairwoman's opening statement, the 7 November 1983 hearing is the first of several that will be held in the process of reviewing the Civil Service Reform Act of 1978. This office will continue to monitor these hearings and report on them as appropriate.

3. My sense of the give-and-take between Ms. Schroeder and Mr. Bowsher is that two current SES practices will be subjected to further and closer scrutiny by this Subcommittee:

--the unlimited accumulation of annual leave; and

--the statutory limitation of 20% of the SES population eligible for bonus payment each year.

On the first issue, Mr. Bowsher characterized the accumulation of annual leave as a "ticking time bomb" that will one day embarrass the Congress. On the second issue, he characterized the 20% bonus limitation as perhaps the weakest feature or severest limitation of the law. He recommended a 50% limit as originally enacted.

4. I encourage your study of the attached. I will continue to monitor this issue and report as appropriate.

STAT



Attachments  
As stated

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STAT LD/OLL:  :gg (9 November 1983)

SUMMARY OF THE CONGRESSIONAL HEARING ON THE  
SENIOR EXECUTIVE SERVICE

1. A statutory provision requires a 5-year review of the operations of the SES. This is the first of a number of hearings to be held on that subject. Witnesses were Comptroller General Charles Bowsher and Subcommittee Chairwoman Ms. Patricia Schroeder. Mr. Bowsher focused on four areas in which the CSRA established major goals for SES:

- Executives should be held accountable based on their performance.
- Agencies need greater flexibility in using their executive resources.
- Executives should be protected from improper political influence.
- Executives' managerial capabilities should be improved.

2. Mr. Bowsher said that progress is being made, but there are areas needing improvement. The size of the SES (approx. 6,900 members) has remained fairly stable, but almost 3,500 SES members have left SES and government service and another 200 have retreated to GS-15 positions. More than 40 percent of career executives who converted to SES in 1979 have left. In FY-83 about 92 percent of new SES members came from within.

Executive Accountability:

- Performance appraisal systems have been implemented but there is no explicit link to organizational performance.
- Over half of executives believe the PAR system had minimal effect on performance, had not improved communications between supervisor and subordinates, and was not worth the cost.
- Because of the 20 percent restriction on members who can receive awards, the Act's motivational goal is not being achieved. Also, there is perception that factors other than performance are considered in making awards.
- Very few actions are taken to deal with poor performers.

Agency Flexibility in Managing Executive Resources

- Found OPM's oversight of SES position allocations may not be adequate.
- The increased flexibility to reassign is controversial.

- Managers are pleased but members feel they are not protected from arbitrary actions. They are also concerned about costly geographic relocations. Pending legislation may help alleviate the relocation problem.

#### SES Politicization Safeguards

- Have found that safeguards specified in the Act have been adhered to.

#### Managerial Competency

- Executive development programs have generally received high marks. However, SES pay and benefits are not adequate to attract and retain high quality managers from the private sector. Also, there is difficulty in recruiting individuals in tech/scientific fields since SES is comprised of managers and it is difficult to justify the managerial qualifications of scientists.

#### General

- Progress is being made.
- Members are concerned with how agencies are using their enhanced managerial abilities.
- Limitations placed on salaries is a problem adversely affecting ability to hire and keep top quality executives.
- Endorses raising the number of bonuses that can be awarded.
- Annual leave provision is a "ticking time bomb" because of the very large terminal leave payments being accumulated.